

BMW Group

NHTSA
WASHINGTON, DC 20590

September 24, 2010

2010 SEP 27 P 14:59

Steve Wood, Esq.
Office of Chief Counsel
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, D.C. 20590

OFFICE OF CHIEF
COUNSEL

**Re: Request for Confidential Treatment of Information Submitted in
PE10-020**

Dear Mr. Wood:

Today, BMW of North America, LLC (a subsidiary of BMW AG of Munich, Germany ("BMW")) is submitting its response to the Information Request, dated July 7, 2010, in the above captioned matter. Because a portion of BMW's response, specifically, CD No. 2, is considered by BMW to be confidential, we believe it is entitled to confidential treatment under 49 CFR Part 512 and Exemption 4 of the Freedom of Information Act ("FOIA"), 5 USC § 552(b)(4). Accordingly, BMW is hereby submitting this request for confidential treatment of that material.

As set forth in the attached certificate, the information for which we are requesting confidential treatment is maintained in strict confidence by BMW. This information is not customarily made public by BMW, and contains both trade secrets and commercial information, which is privileged or confidential under 5 USC § 552(b)(4), 49 CFR 512, and 49 USC 30167(a).

As noted above, the information for which BMW is requesting confidential treatment consists of CD No. 2 in BMW's response to the Information Request. We are requesting confidential treatment of CD No. 2 in its entirety. We further request that CD No. 2 be accorded confidential treatment on a permanent basis, because there is no foreseeable time in the future when this information could be disclosed without causing substantial harm to the competitive position of BMW.

BMW requests confidential treatment of the information in these documents because disclosure would cause substantial competitive harm and the information includes trade secrets. BMW submits that the competitive harm would be substantial because the design and manufacture of vehicles and vehicle components are the core of its business and because global competition in this business is intense.

The following table identifies the BMW documents on attached CD No. 2 requested to be confidential, the document file name, the NHTSA question to which it pertains, and the type of information contained in the document. The document file names begin with the nomenclature "CONF", and each page of the documents have been marked "Entire Page BMW Confidential" denoting

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confidentiality in accordance with the November 19, 2007 amendments to 49 CFR 512.

| NHTSA Question Number | BMW Document/File Name | Document Information Description |
|-----------------------|--|---|
| 8 | CONF-Attachment-TA-1.pdf | Test Results Summary |
| 8 | CONF-Attachment-TA-2(Action2).pdf | Test Methodologies / Test Results & Analyses |
| 8 | CONF-Attachment-TA-2(Action3_20100812_-Analyse BMW E85 LR90196_eng).pdf | Test Methodologies / Test Results & Analyses |
| 8 | CONF-Attachment-TA-2(Action4-20100908_Analyse BMW E85 LR92594_eng).pdf | Test Methodologies / Test Results & Analyses |
| 8 | CONF-20041018_Test_report_LR91263_im_Fzg-English.pdf CONF-20041018_Test_report_LR91263_im_Fzg.pdf | Test Methodologies / Test Results & Analyses |
| 8 | CONF-Vtf2004_76.doc | Test Methodologies / Test Results & Analyses |
| 8 | CONF-20040916_LDDM_Messung_english.pdf CONF-20040916_LDDM_Messung.pdf | Test Methodologies / Test Results |
| 8 | CONF-20040917_LDDM_Messung_english.pdf CONF-20040917_LDDM_Messung.pdf | Test Methodologies / Test Results |
| 8 | CONF-20021004_End_of_Line_Report_english.pdf | Test Results & Analyses |
| | CONF-20031107_End_of_Line_Report_english.pdf | Test Results & Analyses |
| 8 | CONF-20040720_LDDM_Messung_Zusammenfassung_EN.xls CONF-20040720_LDDM_Messung_Zusammenfassung.xls | Test Results & Analyses / Technical Specifications |
| 10 | CONF-EPS Fehlermatrix_EN.xls | Product Design Data / Technical Specifications |
| 10 | CONF-Lenksäule_E85.pdf | Engineering Drawings / Product Design Data / Material Property Information / Production Process Information |

Some of the information has been provided to us from a supplier. In accordance with 49 CFR 512.9, we have contacted the supplier and have requested from them their justification as to why such materials should be accorded confidential treatment. As soon as we receive that information, we will forward it to the agency, along with the associated confidentiality certificates. We ask that you keep this information provided to you as Confidential at the very least until you receive the necessary justification that we obtain from the supplier and until the NHTSA informs us that the information is not confidential.

Some of the information consists of engineering drawings which contain product design data, technical specifications, and production process information. Engineering drawings are part of a 49 CFR 512 Appendix B ("General Class Determination") Class Determination, and have been determined by NHTSA to be presumptively confidential. As set forth by NHTSA in Appendix B,

"The Chief Counsel has determined that the following types of information would presumptively be likely to result in substantial competitive harm if disclosed to the public:

- 1 - "Blueprints and engineering drawings containing process and production data where the subject could not be manufactured without the blueprints or engineering drawings except after significant reverse engineering."

Engineering drawings contain dimensional, material, tolerance, and production process information that can be used to duplicate parts that otherwise would require significant engineering or "reverse engineering" efforts. Engineering drawings and other design data for BMW vehicles and vehicle components could be used by another vehicle manufacture to compare, evaluate, or improve its products without having to expend its own resources or to compensate BMW for the knowledge it would gain. Engineering drawings and other design data for BMW vehicle components could be used by an aftermarket parts manufacturer to produce service parts that would compete with BMW service parts. The aftermarket parts supplier would gain the free use of BMW's engineering and development work and put BMW at a competitive disadvantage.

Some of the information consists of product design data, engineering / technical specifications, and material property information. This information could be used by another vehicle manufacture to compare, evaluate, or improve its products without having to expend its own resources or to compensate BMW for the knowledge it would gain. The specific engineering / technical specifications, including material property information could be used by a competitor to produce identical components that otherwise would require significant engineering efforts. Competitors who would have access to this information would be able to understand the design basis for certain components without having to make the necessary investments that have been made by BMW. Competitors would gain the free use of BMW's development work and put BMW at a competitive disadvantage.

Some of the information consists of results of tests and analyses of vehicle systems/components. This information includes details pertaining to vehicle system/component design and performance as a result of conducting such tests and analyses. Some of the information also consists of test and analyses methodologies that have been developed in order to understand issues regarding specific vehicle systems/components. These tests and analyses methodologies would provide valuable insight into how BMW conducts certain tests.

BASIS FOR REQUEST FOR CONFIDENTIAL TREATMENT

Exemption 4 of the FOIA protects from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." 5 U.S.C. § 552(b)(4). The information for which BMW is requesting confidential treatment is "commercial" information that is "privileged or confidential." See

Judicial Watch, Inc. v. Export-Import Bank, 108 F. Supp. 2d 19, 28 (D.D.C.. 2000) ("In the context of Exemption 4, the terms 'commercial' and 'financial' should be given their ordinary meanings. Further, the exemption applies where the submitter has a 'commercial interest' in the information.") (citations omitted).

The information for which BMW is requesting confidential treatment are the product of BMW's long experience and substantial investments of time and money in establishing this information. The disclosure of this information would permit BMW's competitors to understand certain issues involving specific vehicle systems/components without having to incur the substantial time and expense associated with these efforts that have already been expended by BMW. BMW's competitors could use this information to analyze, further develop, and improve their products without having to expend the substantial resources that have already been incurred by BMW.

This information, therefore, would be commercially valuable to BMW's competitors, and its disclosure would cause BMW substantial competitive harm. Consequently, this information should be accorded confidential treatment under the Exemption 4 of the FOIA. See *Worthington Compressors, Inc. v. Costle*, 662 F.2d 45, 52 (D.C. Cir. 1981) (application of Exemption 4 depends on "whether release of the requested information, given its commercial value to competitors and the cost of acquiring it through other means, will cause substantial competitive harm to the business that submitted it"); *National Parks & Conservation Ass'n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (information is exempted from disclosure under FOIA Exemption 4 if its disclosure would "cause substantial harm to the competitive position of the person" submitting it); cf. *Public Citizen Health Research Grp. v. FDA*, 185 F.3d 898, 905 (D.C. Cir. 1999) (harm caused by a disclosure that would "eliminate much of the time and effort that would otherwise be required to bring to market a product competitive with" the submitter's product is "clearly the type of competitive harm envisioned in Exemption 4").

The information for which we are requesting confidential treatment is maintained in strict confidence by BMW. This information is not customarily made public by BMW and contains both trade secrets and commercial information, which is privileged or confidential under 5 U.S.C. § 552(b)(4), 49 C.F.R 512, and 49 U.S.C. 30167(a).

BMW treats these materials as confidential proprietary information available only to authorized BMW personnel under strict confidentiality agreements, and is otherwise not available to the public. These documents are maintained under a record-keeping system which is intended to control dissemination of this material within BMW, and to assure that it is not openly available outside of BMW. Security systems are used to limit access to facilities which house this documentation, and employees are given instructions in how to further limit access to this documentation, as well as, information dissemination and disclosure procedures.

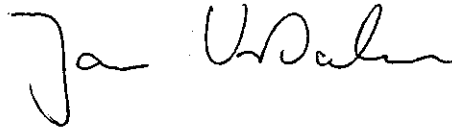
Thus, because BMW would suffer substantial harm to its competitive position if any of the information on CD No. 2 were disclosed, the information should be accorded confidential treatment.

* * *

If NHTSA receives a request for disclosure of any of the information on CD No. 2, BMW respectfully requests notification of the request and an opportunity to provide further justification for the confidential treatment of the information, if warranted.

As noted above, the certificate required by 49 CFR 512 is attached to this letter. If you need additional information, please do not hesitate to contact me at (201) 571-5360, or Martin Rapaport of my staff at (201) 571-5208.

Sincerely,



Jan Urbahn
General Manager
Safety Engineering and Intelligent Transportation Systems

Attachments:

49 CFR 512 Certificate
CD No. 2

Cc:

S. Yon, NHTSA (Office of Defects Investigation) – Letter only

BMW Group

CERTIFICATE IN SUPPORT OF REQUEST FOR CONFIDENTIAL TREATMENT

I, Jan Urbahn, pursuant to the provisions of 49 CFR Part 512, state as follows:

(1) I am the General Manager, Safety Engineering and Intelligent Transportation Systems for BMW of North America, LLC ("BMW"), and I am authorized by BMW to execute documents on its behalf.

(2) The information attached hereto and identified in the attached letter is confidential and proprietary and is being submitted with the claim that it is entitled to confidential treatment under 5 USC § 552(b)(4) and 49 CFR Part 512.

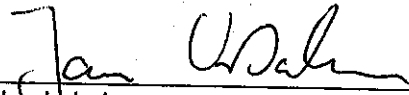
(3) I have personally inquired of the responsible BMW personnel who have authority in the normal course of business to release the information for which a claim of confidentiality has been made to ascertain whether such information has ever been released outside BMW.

(4) Based upon such inquiries, to the best of my knowledge, information, and belief, the information for which BMW has claimed confidential treatment has not been released outside of BMW.

(5) I make no representation beyond those contained in this certificate, and, in particular, I make no representation as to whether the information may become available outside of BMW because of unauthorized or inadvertent disclosure.

(6) I certify under penalty of perjury that the foregoing is true and correct.

Executed on this 24th day of September, 2010.



Jan Urbahn
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